

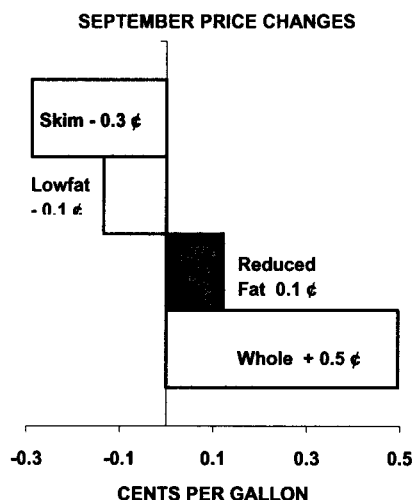


Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

August 2001



ANNOUNCEMENT OF MINIMUM FARM PRICES FOR MILK FOR SEPTEMBER 2001

Commodity prices per pound have remained high but at stable levels. The butter and cheese prices resulted in an increase in whole milk prices of \$0.5 cents per gallon.

Overall U.S. milk production is down partly due to the seasonal decline in production due to hot and humid weather. USDA predicts milk and dairy product prices will continue to climb in the months ahead.

Minimum Farm Prices for Various Fluid Milks by Container Size for September 2001

Northern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$1.471	\$0.736	\$0.368	\$0.184	\$0.123	\$0.092
Reduced Fat (2%)	\$1.279	\$0.640	\$0.320	\$0.160	\$0.107	\$0.080
Lowfat (1%)	\$1.159	\$0.580	\$0.290	\$0.145	\$0.097	\$0.072
Nonfat (Skim)	\$0.838	\$0.419	\$0.210	\$0.105	\$0.070	\$0.052

Southern California	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$1.495	\$0.748	\$0.374	\$0.187	\$0.125	\$0.093
Reduced Fat (2%)	\$1.302	\$0.651	\$0.326	\$0.162	\$0.109	\$0.081
Lowfat (1%)	\$1.183	\$0.592	\$0.296	\$0.148	\$0.099	\$0.074
Nonfat (Skim)	\$0.863	\$0.432	\$0.216	\$0.108	\$0.072	\$0.054

Price Changes from August 2001 Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$0.005	\$0.003	\$0.001	\$0.001	\$0.000	\$0.000
Reduced Fat (2%)	\$0.001	\$0.001-	\$0.000	\$0.000	\$0.000	\$0.000
Lowfat (1%)	\$0.001-	\$0.001-	\$0.000	\$0.000	\$0.000	\$0.000
Nonfat (Skim)	\$0.003-	\$0.002-	\$0.001-	\$0.000	\$0.000	\$0.000

California Department of Food and Agriculture

William (Bill) Lyons Jr., Secretary

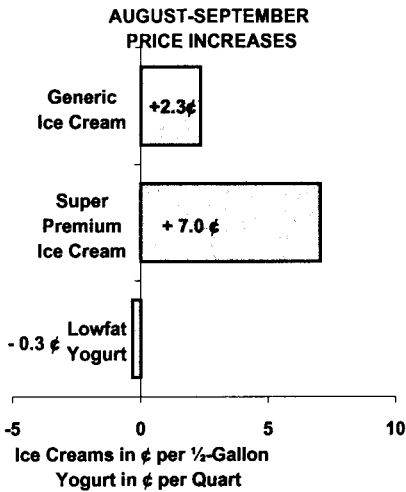
Robert "Tad" Bell, Undersecretary

Daniel E. Webb, Deputy Secretary; Valerie Brown, Deputy Secretary

Vanessa Arellano, Assistant Secretary

Phone (916) 654-1456; Homepage Address: www.cdfa.ca.gov/dairy

Minimum Farm Prices for the Milk Component in Manufactured Dairy Products



1/ Southern California yogurt and ice cream milk product prices may be up to 1 cent more.

2/ Yogurt and ice cream prices change every second month.

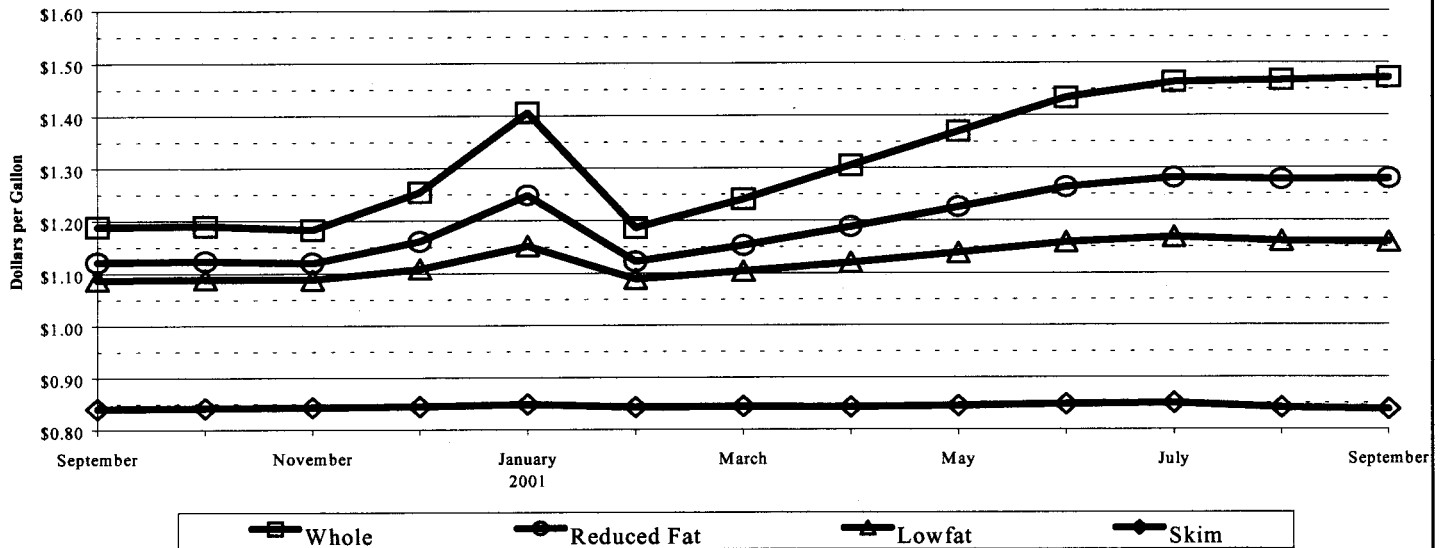
California Milk Component Farm Prices^{1/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
May	\$0.23	\$1.47	\$0.57	\$1.73	\$1.41
June	\$0.24	\$1.76	\$0.67	\$1.83	\$1.47
July	\$0.24	\$1.76	\$0.67	\$1.90	\$1.67
August	\$0.24	\$1.83	\$0.69	\$—	\$—

Price Change from the Prior Pricing Period^{2/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
May	—	—	—	\$0.10	\$0.20
June	\$0.01	\$0.29	\$0.10	\$0.09	\$0.07
July	\$—	\$—	\$—	\$0.07	\$0.20
August	\$0.00	\$0.07	\$0.02	\$—	\$—

Farm Component of Fluid Milk Prices



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